

REMARKS

Claims 1-28 and 30-54 remain pending in the present application. Claims 1-22, 24-28 and 30-54 are allowed. Claim 23 is rejected. Claim 23 has been amended to overcome the rejection under 35 U.S.C. Section 101. Claims 1-28 and 30-54 are pending in the present application. For the reasons set forth fully below, Applicant respectfully submits that the claims as presented are allowable. Consequently, reconsideration, allowance, and passage to issue are respectfully requested.

Applicant acknowledges and appreciates Examiner's allowance of claims 1-22, 24-28 and 30-54.

35 USC §101 Rejections

The Examiner states:

Claim 23 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. In claim 23 the applicant claims

Embedding a watermark in a string, including software code that when executed with at least one predetermined input reproduces the string wherein code is included that at least inhibits recognition of the string by static analysis.

This process might be performed without the aid of any technology and therefore the claimed method is not within the technological arts.

The examiner notes that although the claimed invention includes "software code" this could be embodied by a mere print out of the code, there is no limitation with the claimed language that states by a mere print out of the code, there is no limitation within the claimed language that states that the software code utilized within the computer system.

All that is necessary to make a sequence of operational steps in a statutory process within 35 U.S.C. 101 is that it be in the technological arts so as to be in concordance with the Constitutional purpose to promote the progress of "useful arts" *In re Musgrave*, 431 F.2d 882 167 USPQ 280 (CCPA 1970).

A claim is limited to a practical application when the method, as claimed, produces a concrete, tangible and useful result: i.e. the method recites a step or act of producing something that is concrete, tangible and useful. See *AT&T v. Excel Communications Inc.*, 172 F3d at 1358, 50 USPQ2d at 1452.

Applicant's attorney appreciates Examiner's discussing this rejection on August 22, 2005.

In accordance with that discussion, Claim 23 has been amended to recite "code is stored in

memory". This clearly shows that the code is stored in memory and therefore is within the technological arts.

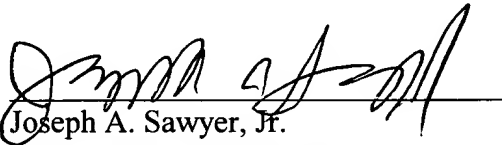
Conclusion

Accordingly, Applicant respectfully requests reconsideration and allowance of claim 1-28 and 30-54 as now presented.

Applicant's attorney believes that this application is in condition for allowance. Should any unresolved issues remain, Examiner is invited to call Applicant's attorney at the telephone number indicated below.

Respectfully submitted,
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Date



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